Is the Worst Behind Us?[1]
An Update on the Economic Outlook of Oregonians
Oregon Values and Beliefs Panel Survey
June 2020

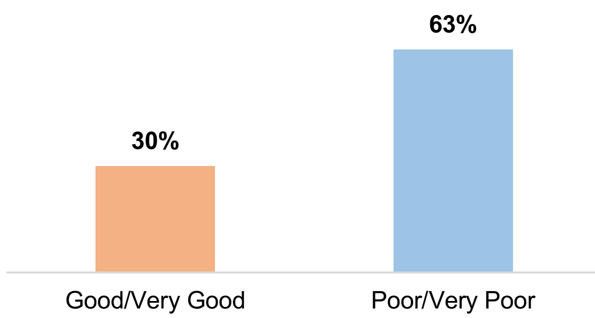
In response to COVID-19, Oregon adopted preventive measures and followed a shelter in place order. Oregon has been largely successful at avoiding a major health crisis, but COVID-19 did significantly weaken the economy. We are curious to know how Oregonians view the current state of Oregon's economy and their expectations for the future.

These findings come from the fielding of the monthly DHM-OVBC Oregon Values and Beliefs Panel Survey. The online survey was conducted from May 29-June 7, 2020. It surveyed 900 Oregonians. To ensure a representative statewide sample, demographic quotas were set, and the data was weighted by area of the state, gender, age, and education. The margin of error for this survey is ±2.0% to ±3.3%.

Economic Conditions Today

Oregonians recognize that the economic conditions in Oregon aren't good. 63% identify the current conditions as poor or very poor. In March, 55% of polled Oregonians believed the economy was poor or very poor.

Chart 1
Economic Conditions in Oregon



[1] The research was completed as a community service by DHM Research in partnership with the Oregon Values and Beliefs Center. Both organizations are independent and non-partisan. DHM is a Certified B Corporation and OVBC is an Oregon charitable nonprofit corporation.

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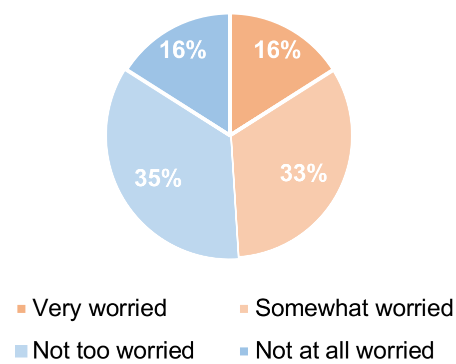
Personal Finances

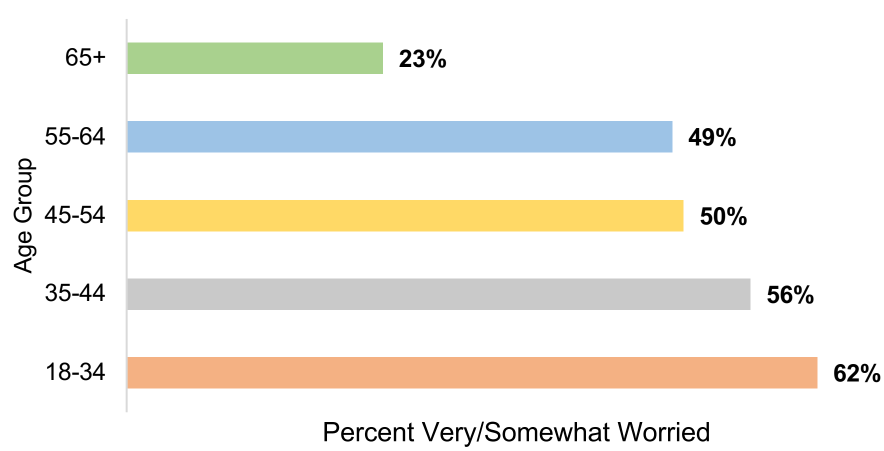
Oregonians are split with 51% not worried about their financial situation and 49% are worried. Each side of the graph essentially mirror each other. This is an improvement from March when 63% of respondents reported feeling worried about their finances. A 12% drop since March suggests that federal stimulus is having an impact. It pumped 2 trillion dollars into the national economy including a $600 a week bonus to unemployment insurance. Because of the federal program, real disposable income increased 13% nationally in April, the largest increase on record.[2]

Chart 2
Personal Financial Situation



Predictably, individuals that make over $100,000 a year report only being worried about finances in 28% of cases, far lower than the 64% for respondents making less than $25,000 a year. A similar trend is found for age. Younger individuals are considerably more worried about finances than older individuals. This is likely closely connected to younger people being more likely to have lost their jobs or had a pay cut. While older people are more likely to be retired and have steady income from Social Security, pensions, and savings.

Chart 3
Financial Worry by Age

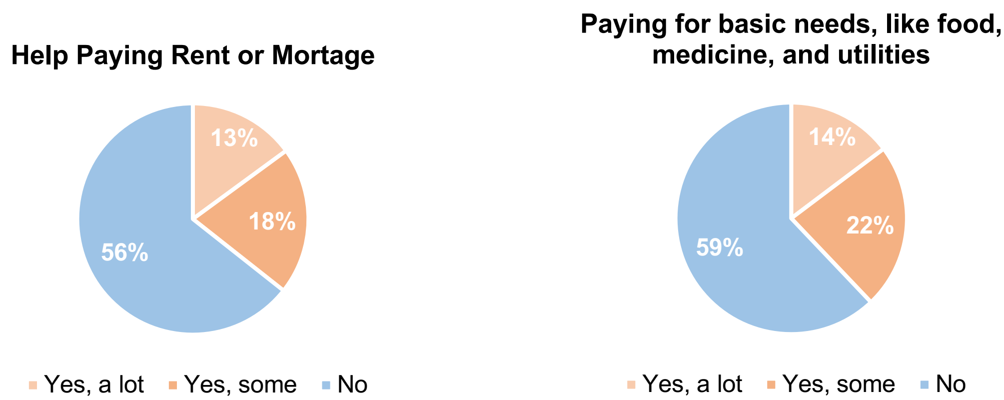


[2] https://www.bea.gov/news/2020/personal-income-and-outlays-april-2020

Concern is lower in multiple areas of personal finance. 31% percent of respondents report they need help paying their rent or mortgage. This is down 10% from March when we asked the same question. 36% report needing aid for purchasing basic needs, a drop from the 42% needing aid in March. Again, younger, less educated, and low-income individuals more frequently expressed that they needed help.

The federal $600 per week unemployment benefit is currently scheduled to end at the end of the July, which means thousands of Oregon households are facing a financial cliff. If this benefit is not extended, or reduced, the number of Oregonians needing help paying for basics and housing could rise sharply later this summer.

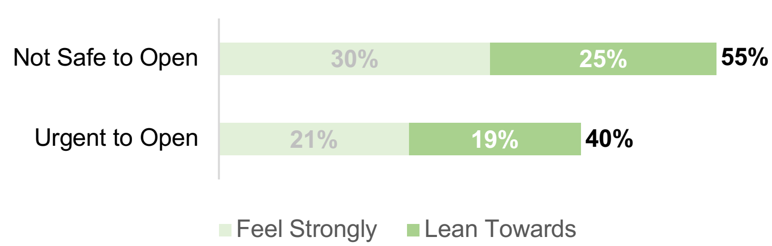
Chart 4



Play it Safe or Full Steam Ahead

Oregonians are split on what the best option for restarting the economy is. It is a difficult decision, balancing the economy against health and safety. A majority of Oregonians, 55%, believe it is still not safe to open the economy. Still, 40% believe it is urgent to reopen. Both sides have a significant number of respondents that feel strongly about the issue, 25% feeling it is not safe to reopen and 21% believing it is urgent to open now.

Chart 5
Restarting the Economy

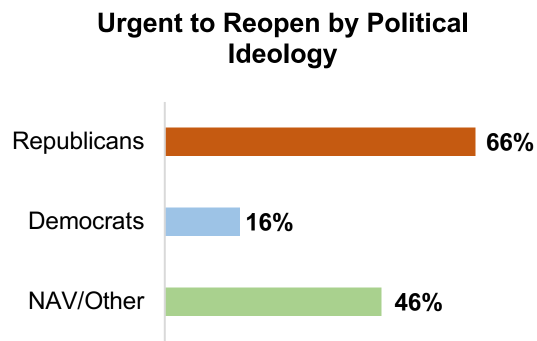


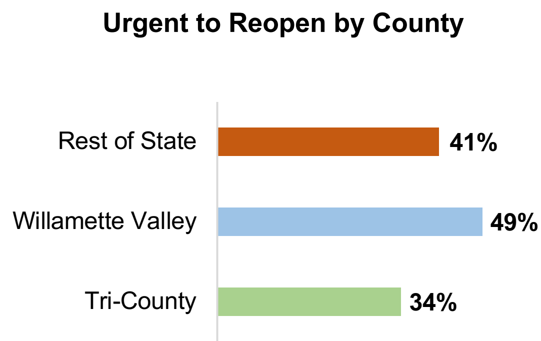
The degree that Oregonians feel it is urgent to reopen varies by political affiliation and area of the state. Republicans are much more likely to feel it is urgent to reopen now compared to Democrats (66% vs. 16%). Interestingly, NAV/Other (not belonging to the two major parties) (46%) falls closer to Republicans.

Oregonians also differed in their degree to reopen urgently based on area of the state. 49% percent of respondents in the Willamette Valley felt it was urgent to reopen. Much higher than 34% in Tri-County and

41% in the rest of the state. Tri-County, with its large number of Democrats, may also be more cautious due to having greater population density.

Chart 6

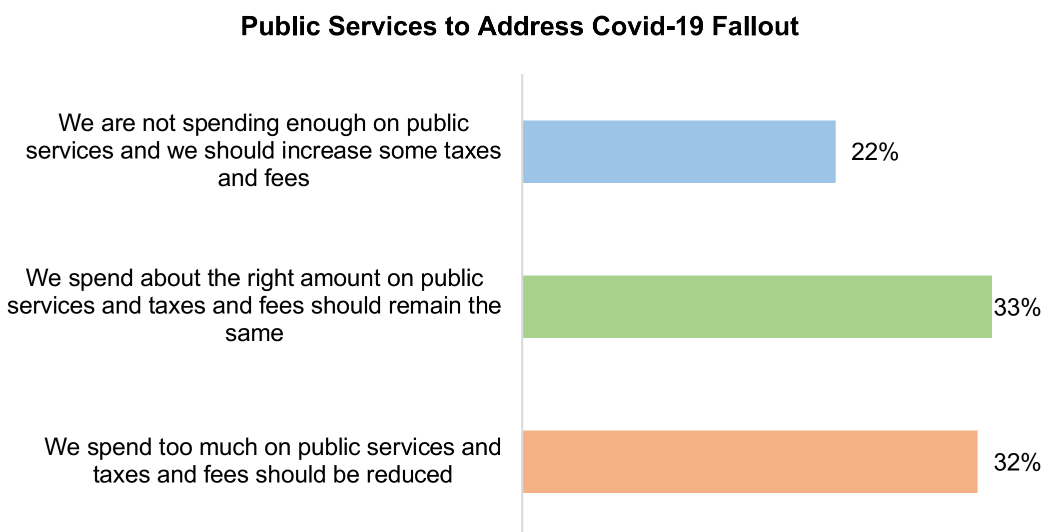




How to Address the COVID-19 Fallout?

There is a discussion regarding the level of public services needed to address the health and economic effect of the COVID-19 pandemic. Participants were asked whether they would keep government spending on public services the same, increase it, or reduce it. Oregonians are split, 32% believe we spend too much, 33% believe we should leave it where it is, and 22% believe we should increase spending.

Chart 7



Again, the results are significantly different based on political affiliation, area of state, and education. 51% of Republicans support spending cuts, just 12% of Democrats support spending cuts, and NAV/Other falls closer to Republicans with 40% supporting cuts. In terms of area of the state, the Willamette Valley is significantly more in favor of cuts (41%) compared to Tri-County (28%) and the rest of the state (31%).

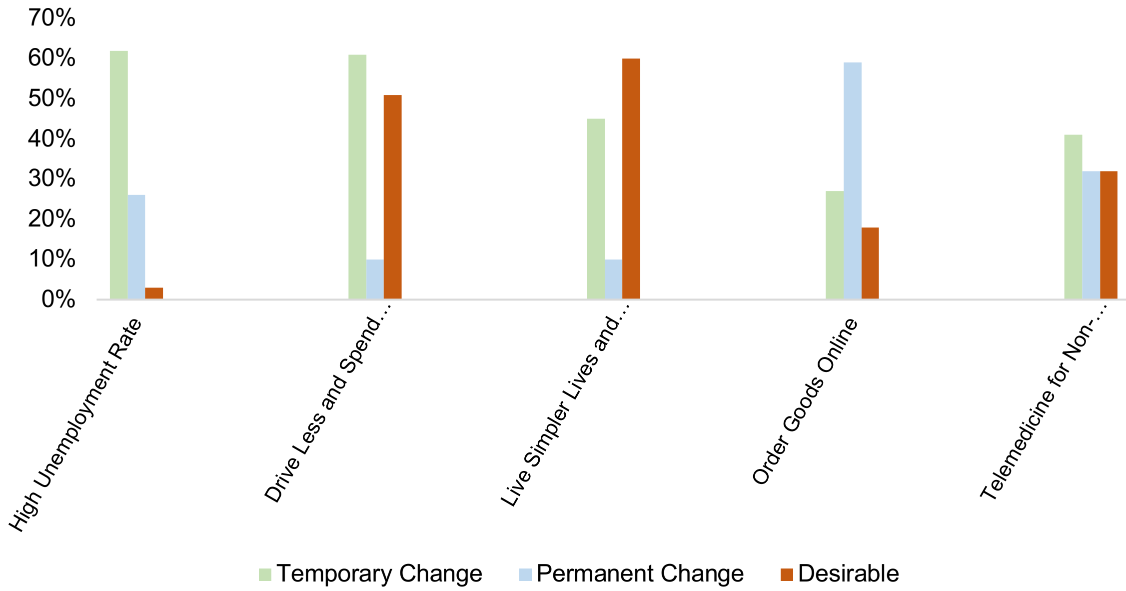
Similarly, a strong divide exists for education. 39% of respondents with a college degree support increasing spending compared to just 11% for respondents with a high school diploma.

Is This the New Normal?

COVID-19 has forced Oregonians to adapt. We wanted to measure which of these changes were desirable and whether respondents felt that these COVID-19 induced changes were temporary or permanent. Oregonians perceived many of these new behaviors as temporary changes. Although, most respondents anticipate that ordering goods online (59%) will be a permanent change. However, the change to ordering more goods online was not seen as desirable.

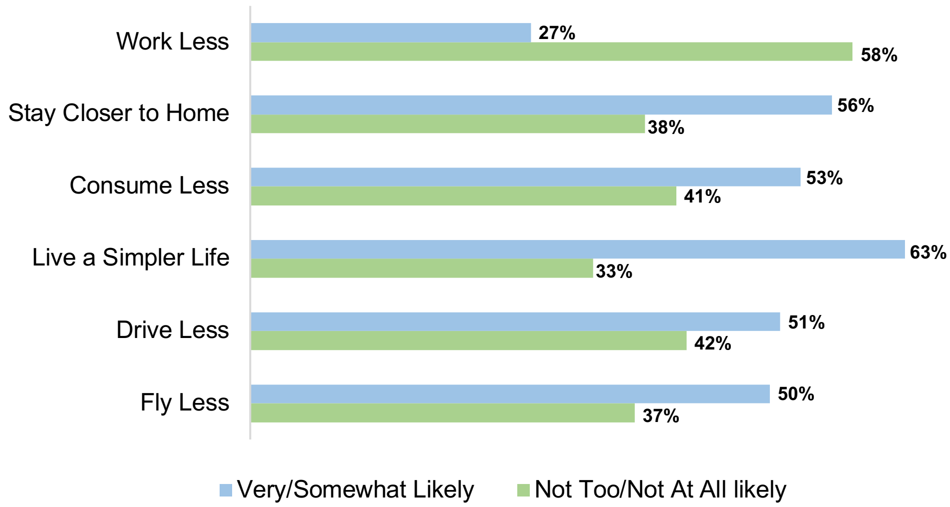
Respondents believe living simpler lives and consuming less (60%) and driving less and spending more time locally (51%) were both desirable changes, but neither were seen as being permanent changes.

Chart 8
Expected Length and Desirability of Behavior Change



We followed up the more general trends, seen above, with questions specific to individuals. We asked Oregonians how likely they thought that recently changed behaviors would continue following the COVID-19 pandemic in order to reduce CO2 emissions. Most of the polled behaviors are considered likely or somewhat likely by about 50% of respondents. 63% believe that living a simpler life is likely to be a lasting change while just 27% of Oregonians think they will work less following the pandemic.

Chart 9
How Likely to do Listed Activities Following COVID-19



If we exclude work less, an item perceived to be not likely of continuing for most Oregonians, we can identify trends by demographic. Across the other five behaviors (stay closer to home during vacations, consuming less, living a simpler life, driving less, and flying less), the average affirmative response varies by gender, income, and political ideology.

Average Likely/Somewhat Likely Scores Across Behaviors by Demographic						
Women	Men	High-Income	Low-Income	Democrats	Republicans	NAV/Other
62%	48%	51%	59%	67%	40%	53%

Women (mean=62%) are more likely to commit to these COVID-19 changed behavior than are men (48%). This is consistent with the results from a general question about the importance of Oregonians maintaining environmentally sustainable behaviors to reduce CO2 emissions as Oregon comes out of the coronavirus pandemic. So, women both find it more important to maintain sustainable behaviors and report higher likelihoods of continuing new sustainable behaviors.

Similar to the gender, we again see that Republicans (mean=39.6), compared to Democrats (67%) and NAV/Other (53%), perceive it less likely that they will continue these new COVID-induced habits.

By comparing high-income Oregonians (over $100,000 a year) and low-income Oregonians (under $25,000 a year), we find that well-off respondents (51%) report that they are less likely to continue to engage in sustainable behavior than those in the low-income group (59%). This is especially important because high-income Oregonians likely changed their lifestyles more than low-income Oregonians. This may suggest that wealthier individuals are more likely to revert to the behaviors of pre-COVID days. Still, a narrow majority of the wealthy respondents reported they were likely or somewhat likely to maintain their new behaviors.

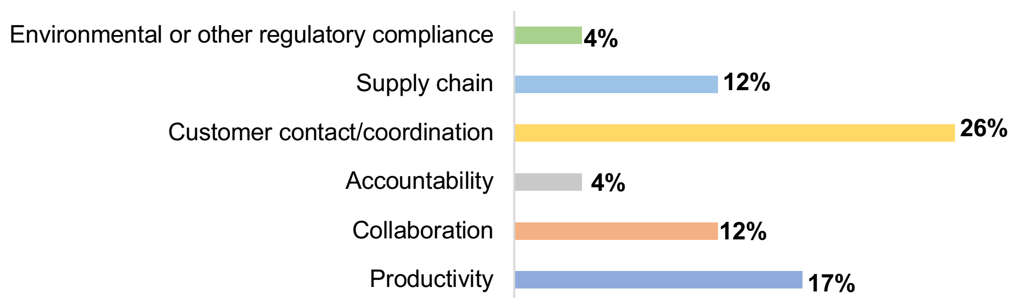
What do Business Owners Think?

17% of the sample reported managing or helping to manage an Oregon business. We were curious how the COVID-19 pandemic is influencing business in Oregon and how optimistic managers are for the upcoming months. 79% of the businesses were micro or small business sizes (less than 50 employees).

A common challenge brought on by COVID-19 has been an increased reliance on remote working. On average, 47% of respondents' employees are working remotely. This includes 39% of respondents who have no employees working remotely and 29% that have all of their employees working remotely. This variance likely relates to the size and field of each business.

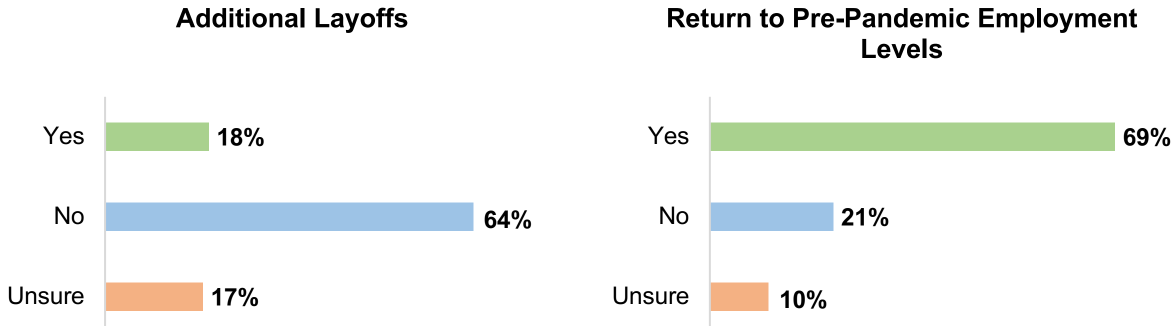
We asked business owners what they viewed as the biggest challenge of running a business remotely. The most popular response related to customer contact and coordination with 26%. Following this was productivity (17%), collaboration (12%), and supply chain (12%).

Chart 10
Remote Working Challenges



Most business owners were optimistic regarding the future. 69% believe their employment numbers will return to pre-pandemic levels and 64% do not anticipate any additional layoffs. Still, there is some uncertainty. 35% of owners believe there will be additional layoffs, or they aren't sure, and 31% believe they won't or aren't sure if their employment numbers will return to pre-pandemic levels. Overall, business owners appear optimistic, but the future is still uncertain.

Chart 11



Summary

Oregonians are split on when to fully re-open the economy and what life will look like as we transition away from COVID-19 life. Despite now living in a recession, Oregonians appear less worried than they were in March regarding their financial situations. This may be because of the impact of federal stimulus on personal and household finances and because of greater certainty surrounding the consequences of COVID-19 pandemic. There is more cause for optimism amongst business owners that feel the worst is behind them. In the coming months, we will learn what the new “normal” in a post-COVID-19 world looks like.

Oregon Values and Belief Panel Survey
June 2020
N=900, ±2.0% to ±3.3%

17. How would you rate the economic conditions of Oregon today?

Response category	n=900
Very good	3%
Good	27%
Poor	46%
Very poor	17%
Don't know	8%

18. Regarding restarting Oregon's economy, which of these statements comes closest to your view even if neither represents it exactly?

Response Category	n=900
It is urgently important to open everything up and fully restart the economy.	
Feel strongly	21%
Lean toward	19%
Don't know	5%
It is not safe yet to open everything up and fully restart the economy	
Lean towards	30%
Feel strongly	25%

19. There has been some discussion in Oregon about revenue shortfalls and the level of public services needed to address the health and economic effects of the coronavirus pandemic. Which of the following statements is closest to how you feel.?

Response Category	n=900
We spend too much on public services and taxes and fees should be reduced	32%
We spend about the right amount on public services and taxes and fees should remain the same	33%
We are not spending enough on public services and we should increase some taxes and fees	22%
Don't know	13%

20. How worried are you about your personal financial situation?

Response category	n=900
Very worried	16%
Somewhat worried	33%
Not too worried	35%
Not at all worried	16%
Don't know	<1%

Some people may feel like they need help in the coming days as we address the challenges with coronavirus. Do you think that you will need help with the following? **[Randomize]**

Response category	Yes, a lot	Yes, some	No	Not applicable	Don't know
21. Paying your rent or mortgage	13%	18%	56%	10%	3%
22. Paying for basic needs, like food, medicine, and utilities	14%	22%	59%	2%	2%

As a result of the coronavirus (COVID-19), which of the following changes will happen in Oregon over the next few years and will they be temporary or permanent changes, and become the new normal? **[Randomize]**

Response category	Will not happen	Will be-temporary	Will be permanent	Don't know
27. There will be high unemployment rates	2%	62%	26%	9%
30. People will live simpler lives and consume less	33%	45%	10%	12%
32. People will work more from home, decreasing the demand for office space	5%	38%	46%	11%
33. People will order more consumer goods online, decreasing the number of brick and mortar retail stores	4%	27%	59%	10%
34. Telemedicine will be the major form of non-urgent health care, replacing office visits to the doctor	11%	41%	32%	16%

Here is the list again of possible changes that may happen in Oregon because of the coronavirus (COVID-19). For each, indicate your opinion about the desirability of the potential change. **{Randomize].**

Response category	Desirable	Neutral	Undesirable	Don't know
35. There will be high unemployment rates	3%	13%	79%	5%
38. People will live simpler lives and consume less	60%	26%	8%	6%
39. Automation and robotics will increase in the workplace and replace workers	12%	30%	47%	11%
40. People will work more from home decreasing the demand for office space	47%	37%	10%	6%
41. People will order more consumer goods online decreasing the number of brick and mortar retail stores	18%	42%	34%	6%
42. Telemedicine will be the major form of non-urgent health care replacing office visits to the doctor	31%	31%	32%	6%

How likely are you to do the following as we come out of the coronavirus pandemic in order to reduce CO_2 emissions?

Response category	Very likely	Somewhat likely	Not too likely	Not likely at all	Don't know
44. Fly less	31%	19%	21%	16%	12%
45. Drive less	24%	27%	22%	20%	7%
46. Live a simpler lifestyle	22%	41%	19%	14%	4%
47. Consume less products and services	19%	34%	23%	18%	5%
48. Stay at home or closer to home for vacations	23%	33%	20%	18%	6%
49. Work less	12%	15%	25%	33%	15%

70. Do you manage or help manage an Oregon business?

Response category	n=900
Yes	17%
No	83%

[IF YES – ASK Q71-Q75]

71. What size enterprise is your business in Oregon?

Response Category	n=154
Micro (fewer than ten employees)	60%
Small (10-49 employees)	19%
Medium (50-249 employees)	9%
Large (250 or more employees)	10%
Don't know	2%

72. What percentage of your employees are now working remotely?

Response Category	n=154
Mean	46.8%

73. What is the biggest remote working challenge for your company? [Randomize]

Response Category	n=154
Productivity	17%
Collaboration	12%
Accountability	4%
Customer contact/coordination	26%
Supply chain	12%
Environmental or other regulatory compliance	4%
Don't know	25%

74. Do you anticipate additional layoffs?

Response category	n=154
Yes	18%
No	64%
Don't know	17%

[ASK ALL]

75. Do you anticipate returning to pre-pandemic employee/workforce levels?

Response category	n=154
Yes	69%
No	21%
Don't know	10%

77. In what year were you born? **[Autofill age as:]**

Response category	n=900
18-34	29%
35-44	17%
45-54	17%
55-64	17%
65+	19%

78. I describe my gender as:

Response category	n=900
Male	50%
Female	50%
Non-binary or gender non-conforming	7 responses
Trans	5 responses
Other	1 response

79. In what county do you live? **[Dropdown box of all Oregon counties]** **[Autofill area as:]**

Response category	n=900
Tri-county	44%
Willamette Valley	28%
Rest of state	28%

80. What is your party registration?

Response category	n=900
Democrat	38%
Republican	27%
Another party	9%
Not affiliated with a political party	21%
Not registered to vote	5%

81. What is the highest level of education you have attained?

Response category	n=900
Less than high school	3%
High school diploma/GED	34%
Some college/2-year degree	36%
College degree/4-year degree	15%
Graduate/professional school	13%

82. What was your total household income in 2019? Remember to include everyone and your best guess is okay.

Response category	n=900
Less than $25,000	22%
$25,000 to less than $50,000	25%
$50,000 to less than $75,000	19%
$75,000 to less than $100,000	13%
Response category	**n=900**
$100,000 to less than $150,000	14%
$150,000 or more	8%

83. With which of the following races and ethnicities do you identify? Check all that apply.

Response category	n=900
African	1%
Asian/Pacific Islander	3%
Black/African American	1%
Hispanic/Latino/a/x	5%
Middle Eastern/North African	4 responses
Native American/American Indian	4%
Slavic	2%
White or Caucasian	92%
Other	1%

84. Do you have any medical conditions that make you more vulnerable to COVID-19?

Response category	n=900
Yes	34%
No	59%
Don’t know	6%